



**HOUSING &  
PLANNING**

# Affordable Housing Tools and the South Central Waterfront Vision

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Erica Leak Housing & Planning Department

# Content

- SCW Vision
- City of Austin Affordable Housing Goals
- Affordable Housing Tools & Limitations
- Next Steps



## South Central Waterfront Vision

- Mobility and Connectivity
- Trails and Open Space
- Sustainable Design
- Urban Design
- Public Art
- Affordable Housing
  - *Goal of 20% Affordable Housing within the District*

### Austin Strategic Housing Blueprint

- Create 20,000 Housing Units in 10 Years that are affordable to households earning 30% MFI and less
- Create 25,000 Housing Units in 10 Years that are affordable to households earning 31-60% MFI
- Create 15,000 Housing Units in 10 Years that are affordable to households earning 61-80% MFI
- 25% of affordable housing units that are created should have two or more bedrooms and a system to provide opportunities for families with children
- 25% of affordable housing created to be within ¼ mile of high-frequency transit
- At least 25% of new income-restricted affordable housing to be in moderate-to-high opportunity areas
- Protect Renters from Discrimination Based on Source of Income
- Utilize Tax Increment Financing (TIFs) for Affordable Housing
- Maximize Public Property to Build or Include Affordable Housing
- Expand the Supply of Housing for People with Disabilities
- Develop policies to prioritize affordable housing near current and future transit service
- Link housing choices with transportation choices
- Comprehensive Parking Reform
- Recalibrate, streamline, and expand density bonus programs to serve renters at or below 60% MFI
- Incorporate Robust Tenant Protections for All Rental Properties Receiving City Support

### Analysis of Impediments to Fair Housing

- Implement Displacement Mitigation Strategies and Housing Blueprint action items
- Encourage developers and landlords who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, accept legal unearned income in consideration of the ability to pay rent, and not discriminate based on source of income.
- Bring forward the recommendation that incentives for the development of affordable housing for households below 50%, 60% and 80% MFI be included in Land Development Code revisions.
- Improve connections between low-income populations and employment opportunities.

### Displacement Mitigation Strategy (2018)

- Preference Policy to prioritize new city-subsidized affordable units for income-qualified households that are appropriately sized to the unit and/or have ties to the city
- Land Bank in Gentrifying Areas to Acquire and Develop Affordable Housing
- Support the Creation of Deeply Affordable Units at 20% and 30% MFI and Below



# Austin Strategic Housing Blueprint

- ▲ ON TRACK: Meeting or exceeding 10-Year Goal at current rate
- ▶ PROGRESS UNDERWAY: Only meeting 60-99% of the 10-Year Goal at current rate
- ▼ OFF TRACK: Meeting less than 60% of the 10-Year Goal at current rate

## GOAL 2-3: NEW HOUSING UNITS 2018-2020

10-YR  
GOAL

### KEY:

- 10-YEAR GOAL 2 (2018-2028)
- CUMULATIVE GOAL 2 UNITS BUILT (achieved 2018-2020)
- 10-YEAR GOAL 3 (2018-2028)
- CUMULATIVE GOAL 3 UNITS BUILT (achieved 2018-2020)

▶ **11,328 out of 50,000 HOUSING UNITS**

### GOAL 3

Affordable to 121% MFI and Above

- Key Strategies:
- Market

▲ **7,496 out of 25,000 HOUSING UNITS**

### GOAL 3

Affordable to 81-120% MFI

- Key Strategies:
- Regulations
  - Strike Fund



▼ **238 out of 20,000 HOUSING UNITS**

### GOAL 2

Affordable to 30% MFI and Below

- Key Strategies:
- Subsidies

▶ **4,886 out of 25,000 HOUSING UNITS**

### GOAL 2

Affordable to 31-60% MFI

- Key Strategies:
- Subsidies
  - Incentives

▼ **2,016 out of 15,000 HOUSING UNITS**

### GOAL 2

Affordable to 61-80% MFI

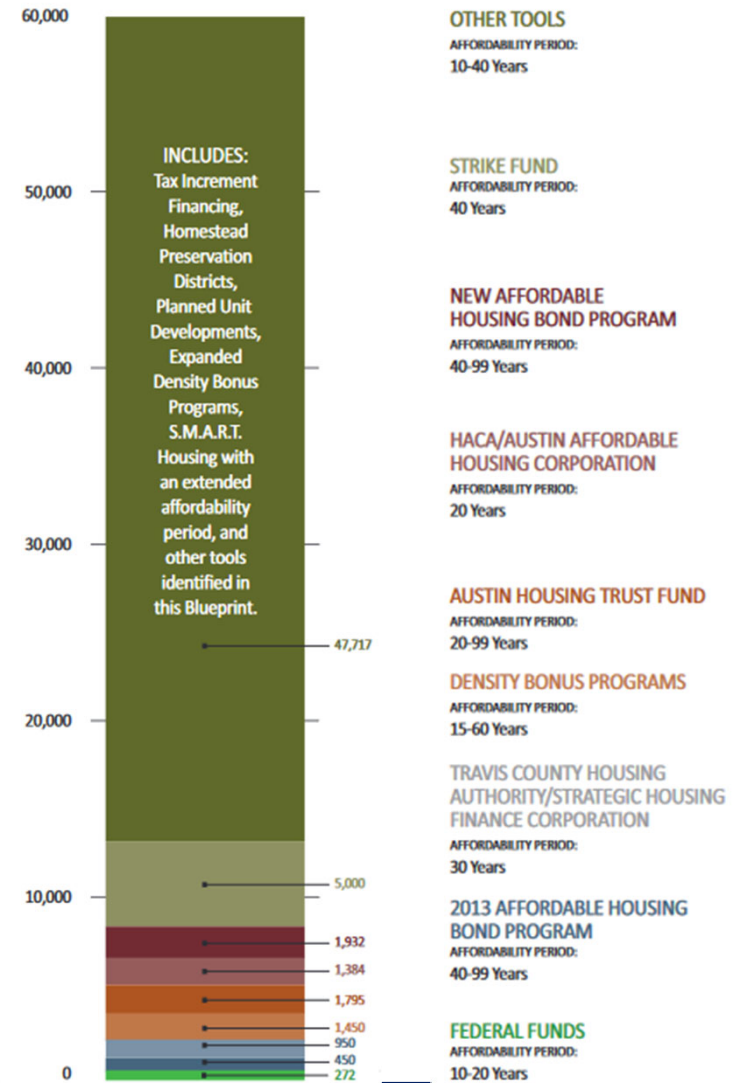
- Key Strategies:
- Strike Fund
  - Incentives



# Austin Strategic Housing Blueprint

## FUNDING MECHANISMS AND TOOLS FOR 60,000 AFFORDABLE UNITS

Current  
Tools &  
Funding  
(approx.)





# Aligning SCW Vision with Housing Goals

Use incentives to  
create housing  
affordable to  
households earning  
60-80% MFI

Use subsidies to  
create housing  
affordable to  
households earning  
less than 50% MFI

Create affordable  
housing near transit

Create affordable  
multi-bedroom units

Create robust Tenant  
Protections

Maximize public  
properties to create  
affordable housing

Affirmatively  
furthering Fair  
Housing



# Affordable Housing Tools

## ■ Regulations

- LDC: Housing form, location, density

## ■ Voluntary Development Incentives and Agreements

- Regulating Plan
- Density Bonuses

## ■ PUD

- Site-specific negotiated development agreements that provide superior development to what could be built with conventional zoning

## ■ Subsidies

- Federal funding
- Local funding
  - Bonds, Housing Trust Fund

## ■ Alternative Financing

- Low Income Housing Tax Credits
- Tax Increment Financing

## ■ City-Owned Land

- Partnerships
- Community Land Trusts

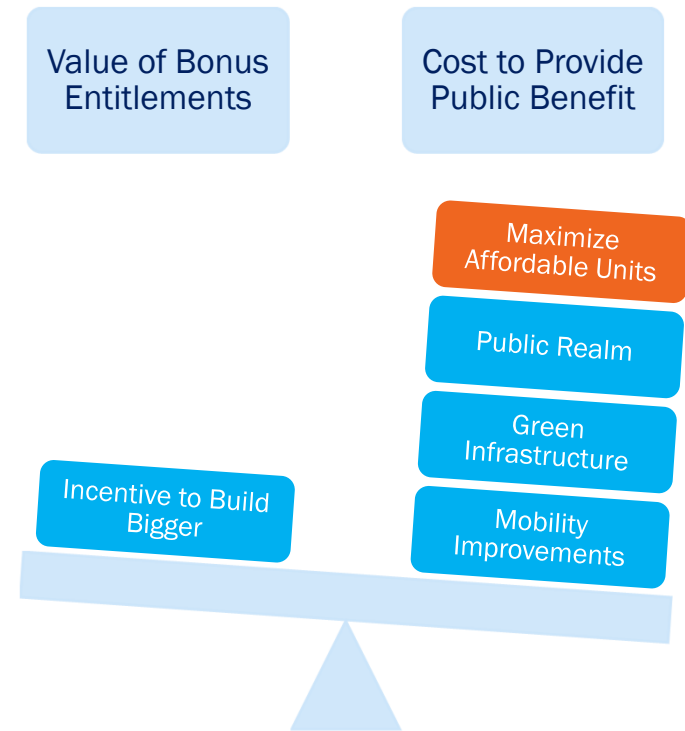
### Banned in Texas:

- × Linkage fees
- × Inclusionary zoning
- × Rent control (w/o Gov approval)
- × Source of Income protections
- × Real estate transfer tax
- × Income-based property tax adjustments
- × Local minimum wage increases



# Leveraging Voluntary Development Incentives

- Evaluate Value of Bonus Entitlement
- Calibrate Community Benefit Requirements or recalibrate the bonus entitlements offered





# Leveraging Subsidies + Financing

## ■ Federal Funds

- CDBG
- HOME
- Continuum of Care funding
- Low Income Housing Tax Credits

## ■ Local Funds

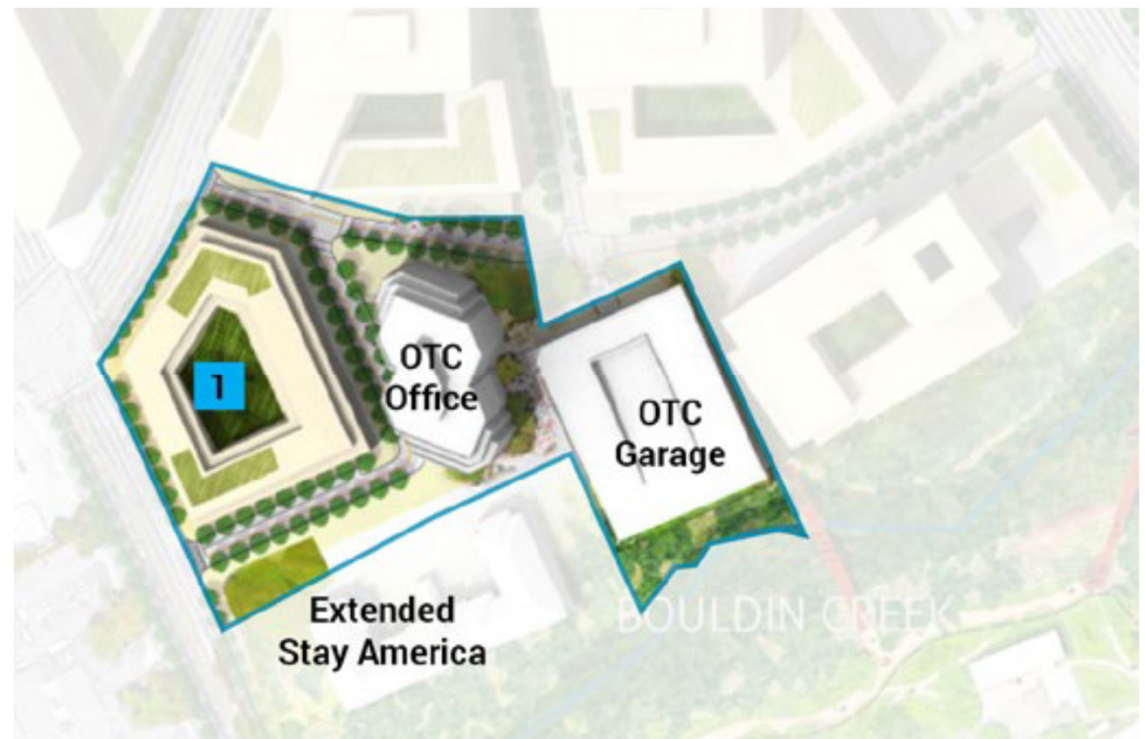
- Housing Trust Fund
- General Obligation Bond
- Other Local Financing Tools
  - (Such as Tax Increment Financing / Tax Increment Reinvestment Zones, Public Improvement Districts (PID))



# Leveraging City-Owned Properties

- Partnerships
- Community Land Trusts

➤ November SCWAB mtg





# Combining Incentives and Subsidies

- Affordability Unlocked
- SMART Housing



- Housing Development Assistance



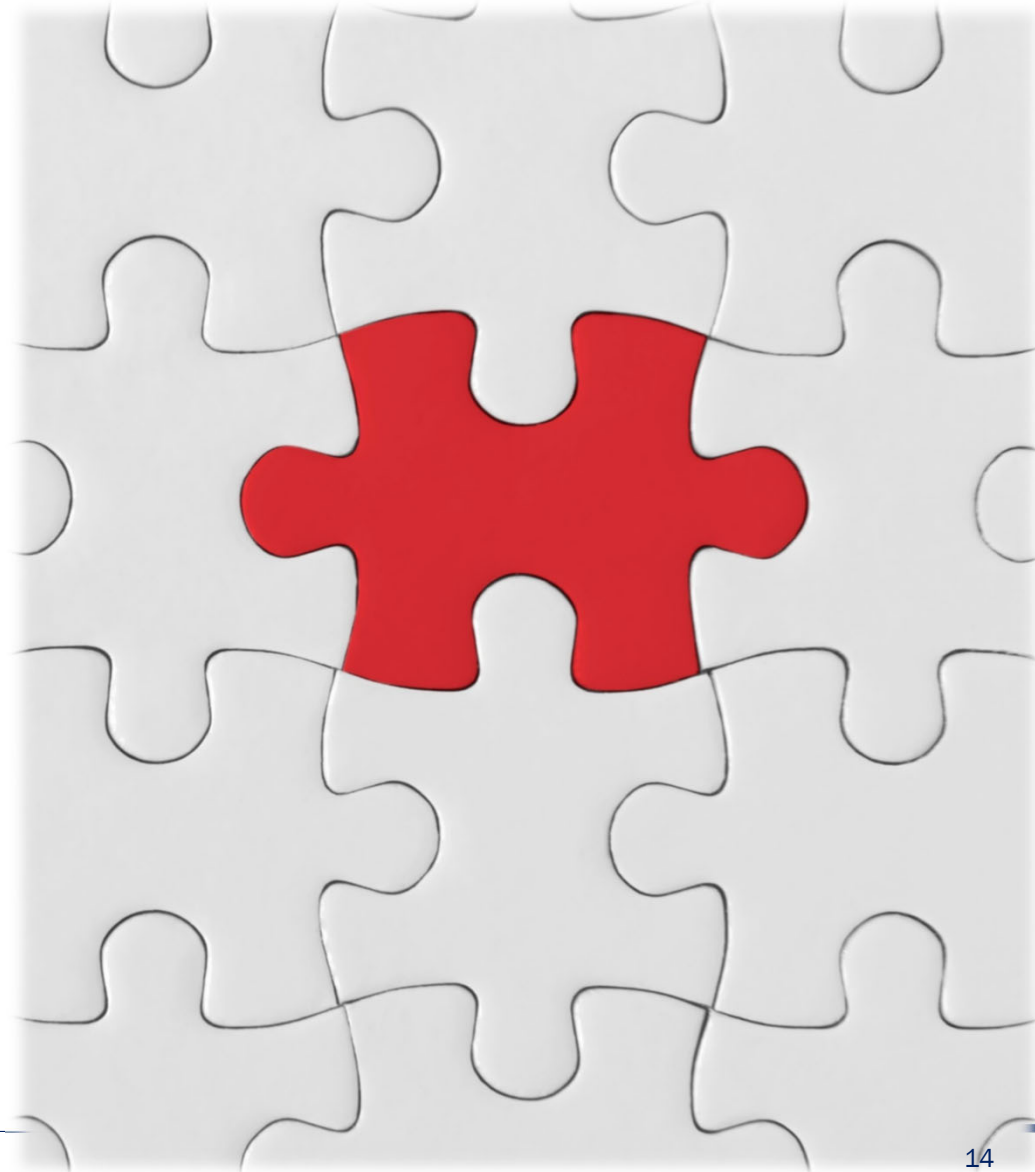
# Affordable Housing Requirements in the Regulating Plan

- Affordable Housing Within the District or Outside
  - Within the district to the extent possible
  - Alternatives for affordable ownership units and non-residential projects\*
- Depth of Affordability
  - 60% MFI or lower for rental
  - 80% MFI for ownership\*\*
- Legal Protections and Rights
  - Tenant protections



# Interconnected

- One Texas Center
  - Related to the overall District goals
- SCW Gap Financing Need
  - Affordability depths
  - Affordable housing within the district



# Challenges

Setting affordable housing policies in the regulating plan before our financing tools are fully understood

Affordable homeownership in market-rate downtown developments

Limited scope of the “tipping parcels” vs the district-wide goals

Bonus entitlements were not calibrated to cover the cost of all public benefits in the vision



# Opportunities

Creating below-market rate housing in a vibrant, resourced area

Maximizing city-owned property for affordable housing

Include more properties in the regulating plan than just the “tipping parcels”

Reevaluating entitlements to achieve community benefits



## Next Steps

- Financial toolbox feasibility
- Statesman PUD resolution
- Regulating plan revisions and adoption, including incentives for affordable housing